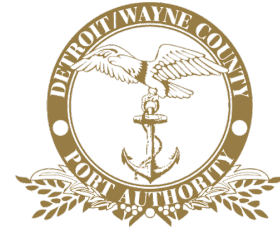


**To:** City Council Member Letisha Johnson  
City of Detroit, City Council

**From:** Mark Schrupp, Executive Director  
Travis Jackson, Finance Director  
Detroit/Wayne County Port Authority



**Date:** March 28, 2023

**Re: Responses to Council Member Letisha Johnson's Questions Related to the Detroit/Wayne County Port Authority FY2024 Budget Request**

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Please find below responses to your questions sent on March 27, 2023, regarding the Fiscal Year 2024 Proposed Budget for the Detroit/Wayne County Port Authority (the "Port Authority").

1. **Question 1:** Is the Port Authority sufficiently staffed to perform thorough inspections of incoming cargo to reduce the probability of the smuggling of illegal substances?

**Answer:** Inspection of cargo is outside of the Port Authority's scope or statutory responsibilities. The United States Customs and Boarder Protection Service is charged with that work. The United States Coast Guard also has responsibility for guarding against smuggling that occurs on our coastal waterways.

2. **Question 2:** Given the scope of DWCPA's mission, what is the total budget for FY 2024 and how does the City's \$250,000 contribution factor into it?

**Answer:** Please note that our request for FY2024 is for \$300,000. This is a \$50,000 increase from FY2023, and the first increase since the creation of the DWCPA in 1981. The total proposed budget is \$1,572,000 and a copy is attached. Funding from the City provides critical support for facility maintenance and utilities, as well as for salaries and benefits of staff. This funding is critical to current operations and will support our efforts to develop revenue generating opportunities. The increase in funding will directly support port and terminal development expenses, as well as expanded grant seeking that has the potential for bringing millions of dollars of federal and state infrastructure funding to Detroit.

3. **Question 3:** What new revenue generating activities does DWCPA plan to initiate in FY 2024?

**Answer:** With the Master Concession Agreement in place, the DWCPA's ability to generate traditional cargo revenue is limited – zero, under the current arrangement. Thus, we are seeking more creative ways to generate revenue. One way is from grants received. The recently awarded PIDP grant will require the DWCPA to devote significant staff time to its

fiduciary obligations under the grant. This will allow a percentage of staff costs to shift to the grant and relieve our general fund from a portion of these expenses. Under the DWCPA's EPA Brownfield Grant, staff time performing those activities can be billed to the grant. Approximately \$10,000/year is anticipated.

In 2023, the DWCPA will be issuing a Request for Proposal for its event space. The current agreement is approaching its final year. The success of this program – generating \$300,000 annually -- should allow the DWCPA to seek even higher returns in a future contract.